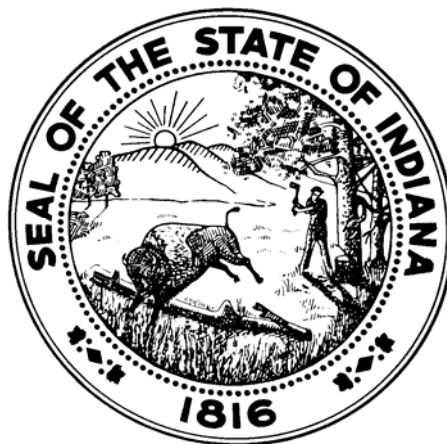


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

REVIEW REPORT  
OF  
INDIANA GAMING COMMISSION  
STATE OF INDIANA  
MARCH 1, 2001 TO NOVEMBER 30, 2004





## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Agency Officials .....	2
Independent Accountant's Report.....	3
Review Comments:	
Personal Long Distance Telephone Calls .....	4
Inactive Fund Center .....	4
Licenses Accountability .....	4
Accounts Receivable – Fines Issued .....	4-5
Receipts Issued .....	5
Exit Conference.....	6
Official Response .....	7

#### AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Mr. John Thar	10-06-93 to 10-25-02
	Mr. Glenn Lawrence	10-26-02 to 01-09-05
	Mr. Earnest Yelton	01-13-05 to 01-11-09
Chairman	Mr. Donald Vowels	09-01-97 to 09-01-07



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA GAMING COMMISSION

We have reviewed the receipts, disbursements, and assets of the Indiana Gaming Commission for the period of March 1, 2001, to November 30, 2004. The Indiana Gaming Commission's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Indiana Gaming Commission are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

December 30, 2004

INDIANA GAMING COMMISSION  
REVIEW RESULTS AND COMMENTS  
November 30, 2004

PERSONAL LONG DISTANCE TELEPHONE CALLS

As stated in the prior report (B16985) Indiana Gaming Commission Employees are making personal long distance telephone calls on the agency's telephones. While the Indiana Gaming Commission has a written policy stating that employees are not to make personal long distance telephone calls on the agency's telephones, such activity still exists.

Personal long distance telephone calls are not allowed to be charged to the State or placed over the State telephone network. Such calls should be charged to the employee's home phone, personal calling card, or placed collect or using the employee's personal cell phone. Agencies should review monthly telephone billing for indication of charges for personal calls. If an agency discovers that personal calls have been placed, reimbursement must be sought for the charges incurred and the employee should be instructed not to charge additional long distance calls on the state network. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 5)

INACTIVE FUND CENTER

The Indiana Gaming Commission administers fund/center 1000/721000, Investigative, which has been inactive since 2001 and carries a balance of \$2,634,019.09.

If a fund/center has been inactive for a period of two or more years, the agency should contact the State Budget Agency as to the continued need for any inactive funds on hand. When a fund/center is no longer necessary, the agency's Budget Analyst should be contacted concerning elimination of the remaining balance. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

LICENSES ACCOUNTABILITY

The Indiana Gaming Commission (IGC) issues, for a fee, several different types of licenses. Some of these licenses are issued directly from the IGC and some are issued on site, at the Riverboats. The number of licenses issued is not reconciled to the fees collected. We consider the licenses accountable items that should be reconciled to fees collected, insuring that no licenses are issued without the proper fee being collected and deposited.

Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with the laws and regulations. Safeguarding controls over cash and all other assets and all forms of information processing are part of an internal control system. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

ACCOUNTS RECEIVABLE – FINES ISSUED

The Indiana Gaming Commission (IGC) issues fines for rule violations by the Riverboats. We could not locate an accounts receivable record for fines levied. We consider the tracking of and accounting for fines levied to be an important part of the internal controls of the IGC. An accounts receivable record for fines issued would help to insure that fines levied are collected.

INDIANA GAMING COMMISSION  
REVIEW RESULTS AND COMMENTS  
November 30, 2004  
(Continued)

Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with the laws and regulations. Safeguarding controls over cash and all other assets and all forms of information processing are part of an internal control system. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

RECEIPTS ISSUED

The Indiana Gaming Commission receives funds through the mail. The person opening the mail, usually the front desk clerk, is the person who writes the receipt for the funds. As of July 4, 2004, the front desk clerk quit putting descriptions of the funds received on the receipt.

Information to be entered on the receipts includes date, payee, description, and indication of cash or check payment. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 3)

INDIANA GAMING COMMISSION  
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2005, with Mr. Ernest Yelton, Commissioner, Mr. Glenn Lawrence, past Commissioner; Mr. Jack Thar, past Commissioner, and Ms. Kendra Nigg, Controller. The official response has been made a part of this report and may be found on page 7.



South Tower, Suite 950  
115 W. Washington Street  
Indianapolis, IN 46204-3408

Telephone: (317) 233-0046  
Fax: (317) 233-0047  
[www.in.gov/gaming](http://www.in.gov/gaming)

---

## INDIANA GAMING COMMISSION

---

February 15, 2005

Mr. Albert Marshall - Field Examiner  
Indiana State Board of Accounts  
302 W. Washington St - Room E418  
Indianapolis, IN 46204-2738

Dear Mr. Marshall:

Please accept the following response to the results and comments discussed during our meeting of Tuesday, February 08, 2005:

Personal Long Distance Telephone Calls: The IGC has a long standing policy that personal long distance phone calls are not permissible. This policy has resulted in a minimal number of non-permissible long distance calls. The employees are required to reimburse the state for any such call. We will issue a reminder of the IGC policy and eliminate all violations.

Inactive Fund Center: IGC has previously attempted to rectify this account with the state budget agency. The IGC is willing to transfer these funds to any account which the SBA deems appropriate. The Executive Director will coordinate this transfer with the Budget Director before the end of the fiscal year. We have contacted the Governor's office for assistance in resolving this matter.

Licenses Accountability: IGC plans to conduct a thorough review of our licensing procedures and determine any appropriate improvements to enhance the accountability of licensing fees.

Accounts Receivable - Fines Issued: IGC will implement a procedure whereby after each commission meeting the accounting department is provided a detailed listing of the fines approved. And in turn the accounting department will record the fine on the accounts receivable log and issue an invoice to the appropriate entity.

Receipts Issued: It appears that our new receptionist received incomplete training related to the issuance of receipts for monies received. Additional training will be immediately provided to accommodate descriptions of transactions on receipts.

I appreciate your review of the Indiana Gaming Commission and will make every effort to complete the above corrections in a timely manner.

Sincerely,

Ernest E. Yelton  
Executive Director

EEY/kjn